(b) if so, the view of Government in this regard and the details thereof?

THE MINISTER OF STEEL (SHRI RAM VILAS PASWAN): (a) and (b) No, Sir. As per Indian Bureau of Mines, the total reserve of iron ore in Orissa is 4177 million tones as on 1.4.2000. In the year 2003-04, 30 million tones of iron ore was extracted from Orissa employing 36, 633 persons per day. At the current level of mechanization, if all the reserves ore open for mining, it will generate prorata employment of 51 lakh persons. However, experience of iron ore mining indicate that in large mines, there is more mechanisation & lesser direct employment. Mining is an independent economic activity & Government has no control over production & employment in this sector. The same is determined by market forces.

Rationalising Steel Prices

†4017. DR. MURLI MANOHAR JOSHI:
SHRI RAVI SHANKAR PRASAD:

Will the Minister of STEEL be pleased to state:

(a) whether it is a fact that Government feel the necessity of rationalising the continuously increasing prices of steel in the country;

(b) if so, whether Government have taken any steps in this direction; and

(c) if so, the details of the steps and if rationalisation of prices is not necessary whether it would be in the interest of the nation to allow the prices of steel to go up unchecked in the country?

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†Original notice of the question was received in Hindi.

THE MINISTER OF STEEL (SHRI RAM VILAS PASWAN): (a) to (c) In a liberalised environment the Government does not intervene directly in the market to influence prices. The market forces determine the prices. However, during the last two years the Government, through its policy initiatives, has taken several steps to ensure availability of steel and stabilise the price in the domestic market which *inter-alia* include the following:-

(i) The customs duty on non-alloy steel was reduced from 15% to 10% in the Union Budget 2004-05 and has been further reduced to 5% in August 2004.

(ii) The customs duty on alloy steel has been reduced from 15% to 10% in the Union Budget 2004-05.

(iii) The customs duty on refractory raw materials has been reduced from 20% to 15% in the Union Budget 2004-05 and further to 10% in the Union Budget 2005-06.

(iv) The customs duty on melting scrap has been brought down to "Zero" from 5% in August 2004.

(v) The customs duty on ships for breaking has been brought down from 15% to 5% in August 2004.

(vi) Reduction in DEPB rates on steel items and fixation of value caps for all items of iron and steel and ferro alloys.

(vii) Increasing allocation of iron and steel materials for the SSI sector.

Even before the announcement of the Union Budget 2004-05 Government

had taken certain measures to ease imports which *inter-alia* included.

(i) Abolition of 4% Special Additional Duty (SAD) on imports

(ii) Lowering customs duty on several raw materials like coal, coke, nickel, refractories, pig iron and sponge iron.

(iii) The requirement of mandatory certification of imported steel materials by the Bureau of Indian Standards under DGFT's notification no. 44 dated 24.11.2000 had been removed for 33 critical steel items vide Notification No. 21 dated 28.10.2003. This was done to ease the supply of these inputs to downstream processors by providing them unimpeded option of import.

As regards steel prices going unchecked, the government is continuously monitoring the prices and would take further appropriate steps as and when required. In any case the World Steel Dynamics has estimated that, around 22 million tonnes of new steel capacity has been commissioned around the world and has also predicted that China may soon turn into a net exporter of steel. Under such circumstances a 'big hike' in steel prices in the near future is unlikely.

Sail's Acquisition of an Australian Coal Mine

4018. DR. ALLADI P. RAJKUMAR: Will the Minister of STEEL be pleased to state:

(a) whether SAIL intends to acquire 25 per cent steel in an Australian Coal Mine;

(b) if so, the reasons and the details of acquisition; and